

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7889

BILL NUMBER: SB 505

DATE PREPARED: Jan 12, 1999

BILL AMENDED:

SUBJECT: Tobacco product information.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill requires manufacturers of tobacco products that are sold in Indiana to annually provide the State Department of Health with the identity of certain ingredients and nicotine yield ratings for each brand of the tobacco product. The bill provides that the nicotine yield rating and certain other information that may reduce the risk to public health are public documents. It requires the State Department of Health to adopt rules concerning these tobacco reports.

This bill provides that a tobacco manufacturer may not sell a brand of tobacco product unless the annual report has been submitted. The bill requires the Attorney General to advise the State Department of Health if any public disclosure of the information required in the annual report would constitute an unconstitutional taking of property. It prohibits the State Department of Health from publicly releasing information that would constitute an unconstitutional taking of property.

Effective Date: Upon passage; July 1, 1999.

Explanation of State Expenditures: This bill will require the State Department of Health (SDOH) to hire two additional employees to comply with the requirements of this bill. The cost of the salary, fringe benefits, and indirect costs for these positions is \$81,946 in FY 2000 and \$81,596 in FY 2001. The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. The December 31, 1998, manning table shows the SDOH with 99 vacancies. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

The SDOH will incur some rule making costs, but these costs can be absorbed within the existing budget. There may be additional costs to the SDOH if the information collected is to be used for public health

education purposes. Additional costs may also be incurred if the State Department of Health is to randomly sample the information provided by the tobacco manufacturing companies for accuracy.

The Attorney General is required to advise the SDOH whether any public disclosure made by tobacco companies in the annual reports required in this bill would constitute an unconstitutional taking of property. The costs would be minimal and can be absorbed within their existing budget.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Department of Health, Attorney General.

Local Agencies Affected:

Information Sources: Norma Selby, Finance Division, State Department of Health, 233-7573.